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Is Utah the place for low-cost health insurance?

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Utah is a young state. Year after year, its residents, many of them teetotaling, tobacco-shunning Mormons, earn top marks on national wellness score cards. They spend less per capita on medical care than residents in any other state.

But for all their health and frugality, do Utahns catch a break on their health insurance?

Data are mixed but suggest that in general, yes.

Annual health premiums in Utah are well below the national average, whether for a policy for a single adult or family of four. And prices are rising more slowly here than elsewhere.

But Utah's prices aren't the lowest of the low. And, as consumer advocates point out, lower-price health care doesn't necessarily mean affordable health care.

"The number of Utahns who go without coverage, more than 300,000 uninsured, suggests it's still out of reach for many families," said Lincoln Nehring, senior health policy analyst at Voices for Utah Children.

Health insurance is complicated, but on a macro level rates reflect the risk, or relative health, of a given population.

"We live in a state where there are a lot of opportunities for people to be outdoors and get involved in healthy activities," said Mark Brown, vice president and chief financial officer at SelectHealth, the insurance arm of Utah's largest hospital chain, Intermountain Healthcare. "We have very low use of tobacco and alcohol, and have one of the lowest obesity rates in the nation."

Last year, Utahns who purchased coverage on their own — not through their employer — spent an average of \$173 per month on premiums, according to a Kaiser Family Foundation analysis of data from the National Association of Insurance Commissioners. Only Alabama, California, Arkansas, Idaho and Delaware boasted better bargains.

Affordable for whom?

No state is immune from soaring health care costs. But health insurance is pricier in some states than others, a difference driven by demographics and a varied industry regulations

States with highest and lowest average individual health premiums, per person per month, in 2010*

Alabama	\$136	Connecticut	\$306
California	\$157	West Virginia	\$333
Arkansas	\$163	Rhode Island	\$344
Idaho	\$167	New Jersey	\$364
Delaware	\$169	Vermont	\$401
Utah	\$173	Massachusetts	\$437

* Six states could not supply data and were excluded from the ranking (Alaska, Kansas, Nevada, New Mexico, Ohio, Oklahoma and Texas).

NOTE: These numbers apply only to plans purchased on the open market — and not through an employer.

Sources: Henry J. Kaiser Family Foundation analysis of data from the National Association of Insurance Commissioners.

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At the other end of the spectrum is Massachusetts, where people spent \$437.

Employer-based policies also come cheaper in Utah. In 2009 the state reported the second lowest average annual price in the nation for employee-plus-one coverage, at \$7,974. And that's an improvement over 2006, when Utah came in with the 10th lowest price, according to data from the U.S. Agency for Healthcare Research and Quality.

But an average is just that. It means there are plenty of working couples paying more, said Shelly Braun, Utah Health Policy Project. "It's a question of cheaper for whom."

On a micro level, insurance rates also reflect what the market will bear, making state-by-state comparisons somewhat meaningless.

"People in Massachusetts may pay high premiums, but they also earn some of the highest wages in the country," said Nerhing.

They may also be getting more bang for their buck.

"Some states mandate coverage that Utah doesn't; contraceptives, for example," explained Nehring. "So our health plans may be more affordable but provide beneficiaries less."

Utah is below the national average when it comes to employers offering health benefits.

Insurance companies, namely their ability to negotiate discounts with hospitals, also influence pricing.

In Utah, two nonprofits claim 60 percent of the market: Intermountain's SelectHealth and Regence BlueCross BlueShield. And Intermountain has captured national attention — and a plug from President Barack Obama — for restraining costs while delivering quality care.

"We're not just processing our member's claims. ... We work closely with doctors and clinics to find ways to make sure our members are getting high-quality care at the lowest appropriate cost," said Brown. "We believe this collaboration results in both better care and lower overall premiums in the market."

This comes as some comfort to consumers such as Stephen Worcester.

"We haven't seen the same level of premium hikes that you read about in California, but the double-digit annual increases aren't sustainable," said the Cottonwood Heights retiree.

Worcester is a year and a half from qualifying for Medicare but for now spends more each month on health insurance than he collects in Social Security.

"I'm using my savings to live," he said.

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The price of health

2004 • The per-capita personal health care spending ranged from a high of \$6,683 in Massachusetts to \$3,972 in Utah, where spending was the lowest.

2011 • A Thomson Reuters study identified the Ogden-Clearfield area as the least-expensive health care market in the nation. Its commercially insured residents spent an average of \$2,623 on medical care in

2009. Anderson, Ind., was the most expensive area, at \$7,231 per person. Salt Lake City ranked eighth in the study at \$2,979 per person.

Who pays?

- Nearly half, 46 percent, of uninsured adults in Utah work full time, 20 percent work part time and 12 percent are nonworking spouses.
- Utah is below the national average when it comes to small businesses offering health benefits; only 31 percent of companies with 50 or fewer employees offer coverage.
- Utah employers that do offer benefits tend to pick up less of the tab than their counterparts in other states. Last year, employers on average picked up 76 percent of the premium for single employees. Only New Mexico employers contributed less. Business owners in Hawaii, meanwhile, kicked in 90 percent and in Colorado, 81 percent.

Sources: Utah Department of Health, Utah Governor's Office of Economic Development, Henry J. Kaiser Family Foundation

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